

AMENDATORY SECTION (Amending Order 02-07, filed 8/14/03, effective 9/14/03)

**WAC 182-12-115 Eligible employees.** The following employees of state government, higher education, K-12 school districts, educational service districts, political subdivisions and employee organizations representing state civil service workers are eligible to apply for PEBB insurance coverage. For purposes of defining eligible employees of school districts and educational service districts, a collective bargaining agreement will supersede all definitions provided under this chapter 182-12 WAC only if approved by the HCA.

(1) "Permanent employees." Those who work at least half-time per month and are expected to be employed for more than six months. Coverage begins on the first day of the month following the date of employment. If the date of employment is the first working day of a month, coverage begins on the date of employment.

(2) "Nonpermanent employees." Those who work at least half-time and are expected to be employed for no more than six months. Coverage begins on the first day of the seventh month following the date of employment.

(3) "Seasonal employees." Those who work at least half-time per month during a designated season for a minimum of three months but less than nine months per year and who have an understanding of continued employment season after season. Coverage begins on the first day of the month following the date of employment. If the date of employment is the first working day of a month, coverage begins on the date of employment. However, seasonal employees are not eligible for the employer contribution during the break between seasons of employment but may be eligible to continue coverage by self-paying premiums.

(4) "Career seasonal/instructional year employees." Employees who work half-time or more on an instructional year (school year) or equivalent nine-month seasonal basis. Coverage begins on the first day of the month following the date of employment. If the date of employment is the first working day of the month, coverage begins on the date of employment. These employees are eligible to receive the employer contribution for insurance during the off-season following each period of seasonal employment.

(5)(a) "Part-time faculty" and "part-time academic employees." (~~Faculty~~) Employees who are employed on a quarter/semester to quarter/semester basis are eligible to apply for coverage beginning with the second consecutive

quarter/semester of half-time or more employment at one or more state institutions of higher education including one or more college districts. Coverage begins on the first day of the month following the beginning of the second quarter/semester of half-time or more employment. If the first day of the second consecutive quarter/semester is the first working day of the month, coverage begins at the beginning of the second consecutive quarter/semester.

For the purpose of determining eligibility for part-time faculty and part-time academic employees, employers (~~((of part-time faculty))~~) must:

((~~(a)~~)) (i) Consider spring and fall as consecutive quarters/semesters when determining eligibility; and

((~~(b)~~)) (ii) Determine "half-time or more employment" based on each institution's definition of "full-time"; and

((~~(c)~~)) (iii) At the beginning of each quarter/semester notify, in writing, all current and newly hired part-time faculty and part-time academic employees of their potential right to benefits under this section.

((~~(d)~~)) (iv) Part-time faculty (~~((members))~~) and part-time academic employees employed at more than one institution are responsible for notifying each employer quarterly, in writing, of the employee's multiple employment. In no case will retroactive coverage be permitted or employer contribution paid to HCA if (~~((a part-time faculty member))~~) an employee fails to inform all of his/her employing institutions about employment at all institutions within the current quarter; and

((~~(e)~~)) (v) Where concurrent employment at more than one state higher education institution is used to determine total (~~((part-time faculty))~~) employment of half-time or more, the employing institutions will arrange to prorate the cost of the employer insurance contribution based on the employment at each institution. However, if the (~~((part-time faculty member))~~) employee would be eligible by virtue of employment at one institution, that institution will pay the entire cost of the employer contribution regardless of other higher education employment. In cases where the cost of the contribution is prorated between institutions, one institution will forward the entire contribution monthly to HCA; and

((~~(f)~~)) (vi) Once enrolled, if a part-time faculty (~~((member))~~) or part-time academic employee does not work at least a total of half-time in one or more state institutions of higher education, eligibility for the employer contribution ceases.

(b) Part-time academic employees of community and technical colleges--eligibility for summer or off season benefits when the employee has a reasonable expectation of continued employment at a single college district or multiple college districts.

Effective May 1, 2005, through April 2006.

(i) Part-time academic employees who work half-time or more in each instructional year quarter or equivalent nine-month season for one or more academic years in a single college district or multiple college districts as determined from the payroll records of the employing community or technical college district(s), are eligible for the employer contribution for health benefits during the quarter or off season period immediately following the end of one academic year or equivalent nine-month season. Eligibility for summer or off season health benefits continues each summer quarter or off season thereafter following employment in an instructional year or equivalent nine-month period of employment in a single college district or multiple college districts.

(ii) For purposes of this section:

(A) "Academic employee" has the meaning set forth in RCW 28B.50.489(3).

(B) "Academic year" means fall, winter, and spring quarters in a community or technical college, as determined from the payroll records of the employing college district or college districts.

(C) "Equivalent nine-month seasonal basis" means a nine consecutive month period of employment at half-time or more by a single college district or multiple college districts, as determined from the payroll records of the employing college district(s).

(D) "Health benefits" means the particular medical and/or dental coverage in place at the end of the academic year or equivalent nine-month season. Changes to health benefits may be made only as set forth in chapter 182-08 WAC or during an annual open enrollment period.

(6) "Appointed and elected officials." Legislators are eligible to apply for coverage on the date their term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible to apply for coverage on the date their term begins or they take the oath of office, whichever occurs first. Coverage for legislators begins on the first day of the month following the date their term begins. If the term begins on the first working day of the month, coverage begins on the first day of their term. Coverage begins for all other elected and full-time appointed officials of the legislative and executive branches of state government on the first day of the month following the date their term begins, or the first day of the month following the date they take the oath of office, whichever occurs first. If the term begins, or oath of office is taken, on the first working day of the month, coverage begins on the date the term begins, or the oath of office is taken.

(7) "Judges." Justices of the supreme court and judges of courts of appeals and the superior courts become eligible to apply for coverage on the date they take the oath of

office. Coverage begins on the first day of the month following the date their term begins, or the first day of the month following the date they take oath of office, whichever occurs first. If the term begins, or oath of office is taken, on the first working day of a month, coverage begins on the date the term begins, or the oath of office is taken.

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## **Report 1 – Issued to Stakeholders: July 20, 2005**

### **Report Objectives:**

- Outline content, deliverables, and objectives of future reports.
- Provide timelines and points and description of stakeholder involvement.
- Provide the project purpose and guiding principles.
- Announce plans and rationale for upcoming rule making to extend content of emergency rule through April 2006.

On July 21, 2005, under separate cover, stakeholders will receive a copy of the proposed rule change.

**Purpose:** The Washington State Health Care Authority (HCA) is undertaking a good faith review of eligibility in conformance with the Section 47 of the *Mader v. HCA* settlement agreement.

**Guiding Principles:** The Health Care Authority adopts the following guiding principles as it moves forward with the good faith review:

- Clear delineation of eligibility categories by type of employment situation.
- Balanced consideration of appropriate benefit eligibility within each eligibility category, understanding that consistency may not always be appropriate.
- HCA rules must reflect the statutory and fiscal policies of the Washington State Legislature.
- All impacted parties will be considered stakeholders in the review process. Special consideration will be given to the factors employers (e.g., agencies, community colleges, etc.) believe are essential to attract and retain a skilled work force necessary to carry out their mission within available funding.

**Stakeholders Identified:** All.

**Stakeholder Involvement:** Stakeholders may provide feedback on the process, purpose, and guiding principles. The HCA will begin scheduling meetings with key stakeholders to assist us in completing this work.

## **Report 2 - Issued to Stakeholders: August 22, 2005**

### **Report Objectives:**

- Provide analysis of PEBB eligibility rules, structure and any research on Board intent from historical documents.
- Analysis of information provided to the HCA by agencies and higher education in 2004.
- Provide approximate number of part-time community and technical college faculty identified in the good faith review portion of the settlement agreement and quantify number and work location of others in state service with similar work patterns.
- Describe how these groups are the same or different from those defined in the settlement agreement.

**Stakeholders Identified:** Department of Personnel, State Board of Community and Technical Colleges, Center for Information Services, and agency and university benefit/payroll officers.

**Stakeholder Involvement:** The Health Care Authority will work with State Board of Community and Technical Colleges to quantify the current group of employees defined in the settlement agreement. It will also begin surveying agencies about part-time employees that may be in a work situation similar to those defined by the settlement agreement and seek to confirm and/or supplement the information previously provided by universities and other key stakeholders in 2004. Stakeholders will also have opportunity to give feedback on analysis provided with the report.

### **Report 3 – Issued to Stakeholders: September 15, 2005**

#### **Report Objectives:**

- Identify financial and operational feasibility (opportunities, costs, and constraints) of changing the eligibility definition of part-time from a quarterly basis to instructional year (averaging the hours worked over nine months instead of three) for community and technical college part-time instructors and any other like groups of employees in state service.
- Finalize any outstanding issues from Report 2.

**Stakeholders Identified:** Department of Personnel, State Board of Community and Technical Colleges, Center for Information Services, and agency and university benefit/payroll officers.

**Stakeholder Involvement:** The Health Care Authority will collect additional information from employer stakeholders through meetings and a survey tool similar to a fiscal note on the operational feasibility of averaging hours on a “look back” basis.

#### **Report 4 – Issued to Stakeholders: October 20, 2005**

##### **Report Objectives:**

- Define how other large employers treat similar groups of employees.
- Identify the minimum legal requirements and legal implications of eligibility for this group(s).
- Compare extending state-paid benefits to any or all of these groups to our principles in light of the above information.

**Stakeholders Identified:** Office of Financial Management, Governor's Labor Relations Office, Office of the Attorney General, labor unions, plaintiff attorney, and others.

**Stakeholder Involvement:** The Health Care Authority will engage this stakeholder group through meetings or telephone calls to answer a discrete set of questions.



**Report 5 – Issued to Stakeholders: November 23, 2005**

**Report Objectives:** Provide summary and analysis of this good-faith review including any proposed rule making for stakeholder comment.

**Stakeholders Identified:** All – Department of Personnel, State Board of Community and Technical Colleges, Center for Information Services, agency and university benefit/payroll officers, Office of Financial Management, labor unions, named plaintiffs, plaintiff attorney, Governor's Labor Relations Office, and Office of the Attorney General.

**Stakeholder Involvement:** Stakeholders will be asked to share written comment on Report 5.

**Final Report – Issued to Stakeholders: December 20, 2005**

**Report Objectives:** Final summary and analysis of this good faith review, including recommendations for any eligibility changes by the PEBB Board or the HCA Administrator. This document will also capture stakeholder feedback on Report 5.



**Board Motion: Proposed Eligibility Criteria**

I move that the Public Employees Benefits Board adopt the proposal to continue through April 2006 the eligibility criteria for part-time community college academic employees contained in the emergency rule WAC 182-12-115, adopted at the April 2005 PEBB meeting.